

Message Text

UNCLASSIFIED

PAGE 01 GENEVA 03512 111810Z

53

ACTION EB-11

INFO OCT-01 IO-13 ADP-00 OMB-01 TAR-02 AGR-20 AID-20

CIAE-00 COME-00 INR-10 LAB-06 NSAE-00 OIC-04 RSC-01

SIL-01 STR-08 TRSE-00 CIEP-02 CEA-02 AF-10 ARA-16

EA-11 EUR-25 NEA-10 L-03 SSO-00 NSCE-00 USIE-00

INRE-00 PA-03 PRS-01 USIA-12 RSR-01 /194 W

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TAGS: EGEN, EFIN, UNCTAD

SUBJ: UNCTAD: CIFT DRAFT RESOLUTION ON MONETARY SITUATION

REF: GENEVA 3431, 3426

FOLLOWING IS TEXT OF DRAFT RESOLUTION TABLED TODAY BY
GROUP OF 77 (DEVELOPING COUNTRIES) REGARDING MONETARY SITUATION
UNTIL MONETARY REFORM PROGRAM ADOPTED.
TEXT IS VERY POOR TRANSLATION OF ORIGINAL SPANISH DRAFTED
BY MEXICO.

QUOTE

THE COMMITTEE ON INVISIBLES AND FINANCING RELATED TO
TRADE, AT ITS SIXTH SESSION,

RECALLING THE STATEMENT BY THE GROUP OF 77 AT THE FIFTH
SPECIAL SESSION OF THE TRADE AND DEVELOPMENT BOARD, DOCUMENT
TD/B/L.316, DOCUMENT TD/B/L.324 OF THE TWELFTH SESSION
COUNTRIES WAS CREATED FOR THE PURPOSE OF REDUCING
THE INITIAL IMPACT OF THE MONETARY CRISIS, EXPERIENCE
UNCLASSIFIED

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PAGE 02 GENEVA 03512 111810Z

HAS SHOWN THAT, ON THE CONTRARY, THISMACHINERY HAS BEEN

USED TO STIMULATE HARMFUL AND SYSTEMATIC SPECULATION IN CERTAIN CURRENCIES AND HAS CONSEQUENTLY BEEN THE CAUSE OF FURTHER PERIODIC DEVALUATIONS AND REVALUATIONS THAT HAVE DISTORTED THE ECONOMIES, DEVELOPMENT PLANS, INTERNATIONAL TRADE STRUCTURE AND PRICES IN THE DEVELOPING COUNTRIES, AND ON THE TERMS OF TRADE,

1. URGES THE GOVERNMENTS OF THE DEVELOPED COUNTRIES, AS A PRIOR STEP TO A RETURN TO A CONVERTIBLE SYSTEM, TO ADOPT IMMEDIATE MEASURES IN THE EXCHANGE FIELD, DESIGNED TO ACHIEVE AN ORDERLY AND CONSEQUENTLY STABLE PERIOD OF TRANSITION, WHILE WAITING DEFINITION OF VARIOUS ELEMENTS OF THE NEW INTERNATIONAL MONETARY SYSTEM.

2. REQUESTS THE GOVERNMENTS OF THE DEVELOPED COUNTRIES, IN PARTICULAR THOSE THAT HAVE ACCUMULATED SUBSTANTIAL INTERNATIONAL LIQUID ASSETS, TO STUDY THE POSSIBILITY OF EFFECTING FINANCIAL OPERATIONS WHICH MAKE IT FEASIBLE THROUGH APPROPRIATE INSTRUMENTS SUCH AS SPECIAL BONDS, TO TRANSFER LIQUID ASSETS TO THE DEVELOPING COUNTRIES, AND TO EXPAND THEIR FINANCIAL ASSISTANCE HERE AT THE SAME TIME AND RESOLUTION 84(III) OF THE THIRD UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT,

RECOGNISING THE INTERDEPENDENCE BETWEEN PROBLEMS IN THE MONETARY, FINANCIAL AND TRADE FIELDS AND THE INSTABILITY IN THE PROCESS OF DEVELOPMENT.

NOTING WITH CONCERN THE SLOW PACE OF THE NEGOTIATIONS ON INTERNATIONAL MONETARY REFORM AND, AT THE SAME TIME, THE CRITICAL DECLINE IN THE VALUE OF INTERNATIONAL RESERVES AND THE COMPETITIVE POSITION OF THE DEVELOPING COUNTRIES,

CONSIDERING THAT THERE IS NOW A SUBSTANTIAL CONCENTRATION OF INTERNATIONAL LIQUIDITY IN VERY LIMITED GEOGRAPHICAL AREAS, WITH A CONSEQUENT NEGATIVE IMPACT ON THE DEVELOPING COUNTRIES,

CONSIDERING THAT THE LACK OF CO-ORDINATED POLICIES HAS CREATED A SYSTEMATIC INCREASE IN INTERNATIONAL IN-

UNCLASSIFIED

PAGE 03 GENEVA 03512 111810Z

FLATIONARY PROCESSES WHICH ENDANGER ECONOMIC AND TRADE STABILITY,

CONSIDERING THAT, OWING TO THE LACK OF IMMEDIATE DECISIONS EVEN OF A TEMPORARY NATURE, THE CENTRAL BANKS OF THE DEVELOPED COUNTRIES HAVE BEEN UNABLE TO CONTROL THE MOVEMENTS OF SPECULATIVE CAPITAL,

CONSIDERING THAT, DESPITE THE FACT THAT THE SYSTEM OF FLOATING EXCHANGE RATES ESTABLISHED IN THE DEVELOPED COUNTRIES, CONTRIBUTING TO THE ELIMINATION OF THE IMBALANCE ORIGINATED BY THE SUBSTANTIAL CONCENTRATION OF LIQUIDITY.

3. REQUESTS FURTHER THE GOVERNMENTS OF THE DEVELOPED COUNTRIES, IN CO-ORDINATION WITH THE SECRETARY-GENERAL OF UNCTAD AND THE SPECIALIZED FINANCIAL BODIES, TO STUDY THE POSSIBILITY OF CREATING MECHANISMS FOR THE TRANSFER OF AN IMPORTANT PART OF THE INTERNATIONAL LIQUID ASSETS TO FINANCIAL FUNDS AND INSTITUTIONS DESIGNED TO PROMOTE INTERNATIONAL TRADE IN FAVOUR OF THE DEVELOPING COUNTRIES, AND TO THIS END MAKING USE OF INTERNATIONAL, REGIONAL AND SUBREGIONAL INSTITUTIONS TO CHANNEL THAT INTERNATIONAL LIQUIDITY FOR THE FINANCING OF DEVELOPMENT.

4. URGES THE GOVERNMENTS OF DEVELOPED AND DEVELOPING COUNTRIES ALIKE, TO HOLD BILATERAL AND MULTILATERAL CONSULTATIONS WITH COMMERCIAL BANKS IN EACH REGION IN ORDER TO INCLUDE IN THEIR BANKING RELATIONS AMONG DEVELOPED AND DEVELOPING COUNTRIES, PROCEDURES TO AVOID THE EROSION OF THE INTERNATIONAL MONETARY RESERVES THAT THE DEVELOPING COUNTRIES HAVE PLACED IN THE BANKS OF THE DEVELOPED COUNTRIES, AS DEPOSITS FOR COMMERCIAL OPERATIONS AND INTERNATIONAL PAYMENTS. UNQUOTE.BASSIN

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